

DECISION TRAPS – AN OVERVIEW

Analyzing decisions, or, more specifically, the reasons and processes you followed resulting in a decision, is a good habit to get into. Research indicates that you can break the decision-making process into four elements.

- **Framing:** Structuring the question in such a way as to determine what you must decide. This requires focusing, shaping, and organizing the issue to aid understanding and clarity.
- **Gathering intelligence:** Seeking information to clarify what is at stake. This includes identifying what is directly and indirectly related to the decision.
- **Reach conclusion:** This is the end goal or decision. The focus is on the process used to analyse the gathered intelligence, narrowed in conjunction with the selected frame to derive the decision.
- **Feedback:** Process of communicating information regarding the decision, which is then reviewed for learning or adapting future decisions.

Poor decisions usually result from some error in one of the above steps. In their book *Decision Traps: The Ten Barriers to Decision-Making and How to Overcome Them*, J. Edward Russo and Paul J. H. Schoemaker identify 10 common mistakes managers at all levels and experience make. These include:

1. Tendency to plunge in: Reaching for conclusions before you can analyze all the facts.
2. Frame blindness: Solving the wrong problem due to an improperly constructed frame, causing you to overlook alternatives because they don't fit the frame.
3. Lack of frame control: Failing to effectively or consciously define the problem within different frames, or being overly influenced by someone else's frame.
4. Overconfidence in one's own judgment: Failing to collect, ignoring, or simply refusing to accept factual information that conflicts with your opinions or assumptions.
5. Short-sighted shortcuts: Relying too much on "rules of thumb", or implicitly trusting widely available or convenient facts.
6. Shooting from the hip (aka "winging it"): Resulting from trying to keep too much information in your head instead of using a systematic process of evaluation and choice.
7. Group failure: Assuming that a team of many smart and well-intentioned people will produce high-quality decisions without the need for a well-managed decision process.
8. Fooling yourself about feedback: Failing to interpret or improve from the lessons from past outcomes either due to one's ego or the bias of hindsight.
9. Not keeping track: Failing to keep records in a systematic way because you assume that learning from past experiences is automatic.
10. Failure to audit your decision process: Failing to put a formal plan into effect to avoid the above mistakes, leaving you open to recurrence time after time.